**Changes in the Electricity Acts**

729. SHRI KHAGEN DAS: Will the Minister of POWER be pleased to state:

(a) whether Government have recieved suggestion from Confederation of Indian Industries for changes in the Electricity Acts for making private investment more attractive; and

(b) if so, whether government are going to consider the said suggestion?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir. Confederation of Indian Industry (CII) has made suggestions on changes in the Electricity (Supply) Act, 1948.

(b) The Ministry of Power had asked the National Council of Applied Economic Research (NCAER) as a consultant, to suggest legislative changes if considered necessary to accelerate the reform process. The suggestions made by CII were referred to the NCAER.

The NCAER has submitted a draft Electricity Bill to replace the existing three electricity laws (The Indian Electricity Act, 1910. The Electricity (Supply) Act, 1948 and The Electricity Regulatory Commissions Act, 1998). The draft Bill suggests corporatisation of all the State Electricity Boards and their restructuring into separate entities that would provide for accountability based on profit centres, whether public or private; and setting up of reinforcing the Regulatory Commissions on the lines of the Electricity Regulatory Commissions Act, 1998. It stresses the need for efficiency and competitions with the objective of providing reliable power supply to all consumers at competitive prices. It also provides for a clear delineation of roles and responsibilities.

In order to generate a national debate on the issue and to evolve a consensus on the draft Bill suggested by NCAER, its copies have been circulated to all concerned for their comments, suggestions and advice.

**Fund for SEBS**

730. SHRI KRISHNA KUMAR BIRLA: Will the Minister of POWER be pleased to state:

(a) whether Government propose to set up a special fund to enable the cash starved SEBs to undertake power transmission and distribution

improvement;

(b) if so, the details of SEBs presently facing financial shortages;

(c) whether foreign financial institutions have offered to provide funds for the SEBs; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) The Government is considering to introduce a new shceme under which funds will be provided to power utilises to undertake investment in sub-transmission and distribution projects including the provision of meters at all levels with the object of reducing T&D losses and improving the operational efficiency of State Power Utilities. However, release of funds would be contingent on the state Government accepting conditionalities with regard to reform and restructuring.

(b) The financial position of State Electricity Boards for the year 1997-98 is given in the enclosed Statement-I *(See below)*

(c) and (d) Details of loans provided by foreign financial institutions to SEBs for Transmission & Distribution works during the last 3 years are given in the Statement-II.

**Statement-I**

*Profit and loss incurred by State Electricity Boards as per 1997-98 accounts (Without subsidy)*

| Name of the SEB | (Rs. Crores) |
|---|---|
| 1. APSEB | -1134.46 |
| 2. ASEB | -439.58 |
| 3. BSEB | -225.42 |
| 4. GEB | -i 363.62 |
| 5. HSEB | -712.79 |
| 6. HPSEB | 29.45 |
| 7. KEB | -321.77 |
| 8. KSEB | *2%. m* |
| 9. MPEB | -75. 01 |

| Name of the SEB | (Rs. Crores) |
|---|---|
| 10. MSEB | 36.61 |
| 11. MeSEB | -52.00 |
| 12. OSEB | * |
| 13. PSEB | -555.27 |
| 14. RSEB | -639.53 |
| 15. TNEB | -317.75 |
| 16. UPSEB | -1547.97 |
| 17. WBSEB | -164.18 |
| All SEBs | -8457.99 |

*OSEB was restructured w.e.f. 1.4.1996

**Statement-II**

*Loans provided by Foreign Financial Institutions to SEBs*

(Rs. in Crore)

| s. No | Name of Project | State | Funding Agency | 1999-2000 | 1998-00 | 1997-98 | Total |
|---|---|---|---|---|---|---|---|
| 1. | Orissa Power Sector Restr. | Orissa | IBRD | 50.00 | 70.00 | 87.50 | 207.50 |
| 2. | Haryana Power Sector Restr. | Haryana | IBRD | 93.00 | 70.00 | 0.00 | 163.00 |
| 3. | A.P.Power Sector Restr. | A.P. | IBRD | 60.00 | 33.86 | 0.00 | 93.86 |
| *4. | Automation in Chennai Metro | T.N. | ADB | 33.00 | 22.64 | 67.40 | 123.04 |
| 5. | Power System Improvement | Multi/REC | JBIC | 100.00 | 75.00 | 63.02 | 238.02 |
| 6. | Srisailam Power Trans. | A.P. | JBIC | 188.80 | 115.00 | 222.15 | 525.95 |
| 7. | Anpara Power Trans. | UP. | JBIC | 100.00 | 105.00 | 236.23 | 441.23 |
| 8. | W.B. Trans. System | W.B. | JBIC | 70.00 | 4.00 | 0.00 | 74.00 |
| 9. | Simhadri and Vizag Trans. | A.P. | JBIC | 20.00 | 18.00 | 0.00 | 38.00 |
| 10. | A.P. Energy Efficiency Proj. | A.P. | U.K. | 15.00 | 8.00 | 30.30 | 53.30 |
| 11. | Orissa Power Sector Restr. | Orissa | U.K. | 19.00 | 62.15 | 63.12 | 144.27 |
| 12. | Power Efficiency Improvement | Multi/PPC | IBRD | 0.00 | 72.12 | 350.00 | 422.12 |
| 13. | Power Efficiency Improvement | Multi/PPC | ADB | 0.00 | 176.03 | 385.13 | 561.16 |
| | TOTAL | | | 748.80 | 831.80 | 1504.85 | 3085.45 |

*Covered in ADB Loan for Second North Madras Power Project.